

THE TENNESSEE STREAM MITIGATION PROGRAM



2014 TSMP Annual Program Report

Reporting Period: January 1, 2014 through December 31, 2014



Table of Contents

Executive Summary	3
Financial Statement	3
Program Income	3
Accepted Permits	4
Program Expenditures	8
Credit Transactions	9
Financial Assurances & Long-Term Management	9

Executive Summary

In August 2002, the Tennessee Stream Mitigation Program (TSMP) was established as Tennessee's first in-lieu-fee program. Administered by the Tennessee Wildlife Resources Foundation (TWRWF), a 501(c)(3) non-profit, the TSMP is one mitigation alternative for impacts associated with water quality permits authorized under §404/401 of the *Clean Water Act*. The TSMP's primary objective is to provide compensatory mitigation projects that sustain aquatic resource functions and services consistent with a watershed approach. Employing principles of natural channel design and process-based methodologies, the TSMP continues to identify and develop restoration and enhancement projects across the state.

As outlined in federal guidance and the TSMP In-Lieu Fee Operating Instrument, dated May 2013, basic program requirements include the implementation of compensatory mitigation projects in addition to maintaining accountability for all program transactions including mitigation obligations, fees collected, funds dispersed, advance credits and released credits by service area. The TSMP is required to submit an Annual Program Report to the US Army Corps of Engineers (USACE) and the Tennessee Department of Environment and Conservation (TDEC). As such, this report will provide the required program information from January 1, 2014 through December 31, 2014.

Financial Statement

Program Income

During the reporting period, the program account received income of \$4,247,440 exclusively from the sale of credits authorized under §404/401 of the *Clean Water Act* and earned an additional \$107,294 in interest from various short term investments.

The following table contains credit based income received by service area:

Service Area	Income
North Hatchie Obion	\$0
South Hatchie Obion	\$67,600
Lower Tennessee	\$12,480
Middle Tennessee Elk	\$451,200
West Lower Cumberland	\$768,960
East Lower Cumberland	\$1,244,400
Upper Cumberland	\$1,089,840
Middle Tennessee Hiwassee	\$561,120
Upper Tennessee	\$0
French Broad Holston	\$51,840

Accepted Permits

For 2014, the TSMP accepted the legal liability for 17,698 credits permitted under §404/401 of the *Clean Water Act*. These credits were purchased in eight of our ten service areas. The TSMP is required to track and report the following information by service area:

- Permit tracking number(s)
- Amount of authorized impacts
- Amount of required compensatory mitigation (credits sold)
- Amount paid to the in-lieu fee program
- Date the funds were received from the permittee

Credit transactions by service area are detailed below.

North Hatchie Obion Service Area

The North Hatchie Obion Service Area consists of the following 8 Digit HUC's:

- 08010205 South Fork Forked Deer River
- 08010206 Forked Deer River
- 08010204 North Fork Forked Deer River
- 08010203 South Fork Obion River
- 08010202 Obion River

The TSMP did not record any credit transactions in the North Hatchie Obion Service Area during this reporting period.

South Hatchie Obion Service Area

The South Hatchie Obion Service Area consists of the following 8 Digit HUC's:

- 08010211 Nonconnah Creek
- 08010210 Wolf River
- 08010209 Loosahatchie River
- 08010208 Hatchie River
- 08010207 Little Hatchie River
- 08010100 Mississippi River

The TSMP recorded the following credit transactions in the South Hatchie Obion Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
14-023	NWP MVM2010-102	10-134	282	\$67,600	06/12/2014
Total			282	\$67,600	

Lower Tennessee Service Area

The Lower Tennessee Service Area consists of the following 8 Digit HUC's:

- 06040005 Tennessee River (NW TN)
- 06040001 Tennessee River (SW TN)
- 06040004 Buffalo River
- 06040003 Lower Duck River
- 06040002 Upper Duck River

The TSMP recorded the following credit transactions in the Lower Tennessee Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
14-013	LRN-2013-01160	13-204 & 13-214	52	\$12,480	07/11/2014
Total			52	\$12,480	

Middle Tennessee Elk Service Area

The Middle Tennessee Elk Service Area consists of the following 8 Digit HUC's:

- 06030005 Pickwick Reservoir
- 06030002 Lower Elk River
- 06030004 Richland Creek
- 06030003 Upper Elk River
- 06030001 Battle Creek

The TSMP recorded the following credit transaction in the Middle Tennessee Elk Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-020	LRN-2008-00531	13-226	943	\$226,320	03/24/2014
14-006		08-145	937	\$224,800	02/10/2014
Total			3,907	\$451,120	

West Lower Cumberland Service Area

The West Lower Cumberland Service Area consists of the following 8 Digit HUC's:

- 05130205 Lake Barkley Reservoir
- 05130206 Red River

- 05130202 Cheatham Lake
- 05130204 Harpeth River

The TSMP recorded the following credit transactions in the West Lower Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
14-030	2014-00264	14-074	205	\$49,200	01/07/2014
14-010	LRN-2013-00886	14-040	111	\$26,240	10/13/2014
13-023	LRN-2013-01047	13-228	2,888	\$693,120	03/20/2014
Total			3,204	\$768,560	

East Lower Cumberland Service Area

The East Lower Cumberland Service Area consists of the following 8 Digit HUC's:

- 05110002 Barren River
- 05130201 Old Hickory
- 05130203 Stones River

The TSMP recorded the following credit transactions in the East Lower Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
14-015	LRN-2013-00479	13-040	155	\$37,200	12/30/2014
14-020	LRN-2014-00278	14-100	1,900	\$456,000	11/13/2014
14-028	LRN-2013-00416	13-066	3,130	\$751,200	07/16/2014
Total			5,185	\$1,244,400	

Upper Cumberland Service Area

The Upper Cumberland Service Area consists of the following 8 Digit HUC's:

- 05130106 Cordell Hull
- 05130105 Obey River
- 05130104 Big South Fork
- 05130101 Clear Fork / Cumberland River
- 05130108 Caney Fork
- 05130107 Collins River

The TSMP recorded the following credit transaction in the Upper Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
14-011	LRN-2014-00350	14-052	4,124	\$989,760	08/15/2014
13-027		13-063	127	\$30,480	05/22/2014
13-026	LRN-2013-00117	13-105	290	\$69,600	02/06/2014
Total			4,541	\$1,089,840	

Middle Tennessee Hiwassee Service Area

The Middle Tennessee Hiwassee Service Area consists of the following 8 Digit HUC's:

- 06020004 Sequatchie River
- 06020001 Chickamauga Reservoir
- 06020002 Hiwassee River
- 03150101 Conasauga River
- 06020003 Ocoee River

The TSMP recorded the following credit transactions in the Middle Tennessee Hiwassee Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
14-018	LRN-2014-0173	14-091	705	\$169,200	07/30/2014
14-005	201000404	10-110	1,527	\$366,480	03/10/2014
14-002	2013-01232		106	\$25,440	01/28/2014
Total			2,338	\$561,120	

Upper Tennessee Service Area

The Upper Tennessee Service Area consists of the following 8 Digit HUC's:

- 06010208 Emory River
- 06010201 Fort Loudoun Reservoir
- 06010207 Clinch River
- 06010204 Little Tennessee River
- 06010205 Upper Clinch River
- 06010206 Powell River

The TSMP did not record any credit transactions in the Upper Tennessee Service Area during this reporting period.

French Broad - Holston Service Area

The French Broad - Holston Service Area consists of the following 8 Digit HUC's:

- 06010104 Holston River
- 06010107 Lower French Broad River
- 06010106 Pigeon River
- 06010105 Upper French Broad River
- 06010108 Nolichucky River
- 06010103 Watauga River
- 06010102 South Fork Holston River
- 06010101 North Fork Holston River

The TSMP recorded the following credit transaction for this service area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
14-034	LRN-0-4908902	14-187	56	\$13,440	11/25/2014
14-017	LRN-201400514 & LRN-0-4908901	14-028	160	\$38,400	09/26/2014
Total			216	\$51,840	

Program Expenditures

During the reporting period, the TSMP incurred expenses totaling \$1,534,007. Of this, \$84,804 was for general and administrative purposes and \$1,449,203 was for program support and project related expenditures that are listed in the table below.

Program Support	\$649,661
Project Development	\$1,554
Project Design	\$57,522
Project Implementation	\$485,657
Project Maintenance	\$60,788
Project Monitoring	\$194,021

Credit Transactions

As of December 31, 2014, the TSMP had a total available credit balance of 150,872 credits while recording sales of 17,698 credits. The TSMP also had 1,437 credits released during this reporting period. These released credits were generated by newly approved projects that had reached permitted performance based milestones. The table below contains credit transaction information by service area.

Service Area	Released Credits	Credits Sold	Advance Credits Balance as of 12/31/14
North Hatchie Obion	0	0	10,619
South Hatchie Obion	0	282	11,342
Lower Tennessee	818	52	42,887
Middle Tennessee Elk	0	1,880	727
West Lower Cumberland	0	3,204	31,245
East Lower Cumberland	0	5,185	5,375
Upper Cumberland	0	4,541	17,864
Middle Tennessee Hiwassee	0	2,338	7,915
Upper Tennessee	619	0	21,342
French Broad Holston	0	216	1,466

Financial Assurances & Long-Term Management

The TSMP has been operating as an In-Lieu-Fee program in Tennessee since 2003. With more than a decade of experience in stream restoration, the TSMP has completed 27 stream restoration/enhancement projects, totaling more than 240,000 linear feet, and producing 145,549 stream mitigation credits. The TSMP's rigorous project management process was developed based on the program's experience in the identification, development and implementation of stream mitigation projects. As a result, the TSMP builds project-specific budgets that include realistic costs for project development, design, implementation, maintenance, monitoring, long-term management, as well as a contingency based on uncertainties and risk analysis. In accordance with the TSMP In-Lieu-Fee Instrument, the TSMP commits to fund approved mitigation projects until performance standards are satisfied and credits have been released. Should projects exceed anticipated costs, the TSMP has the ability to adjust the credit fee schedule for future impacts to ensure that sufficient funding is available to fulfill its mitigation obligation.